



## INDEPENDENT AUDITOR'S REPORT

### Part 1 - Chief Executive Officer's Financial Statement for the Roads to Recovery Program under the *National Land Transport Act 2014*

#### Warrumbungle Shire Council

To the General Manager of the Warrumbungle Shire Council

### Opinion

I have audited the accompanying special purpose financial statement presented in Part 1 - Chief Executive Officer's Financial Statement for the Roads to Recovery Program (the Program), which comprises a statement of receipts and expenditure (the Statement) for the year ended 30 June 2018.

The Statement has been prepared by the Warrumbungle Shire Council (the Council) in accordance with the requirements of section 90 of the *National Land Transport Act 2014* (the Act) and the Roads to Recovery Funding Conditions 2014 (the Conditions).

In my opinion, in all material respects:

- the Statement has been presented in accordance with the Conditions
- the Statement is based on, and in agreement with proper accounts and records as described at Part 7 and Part 1.4 of the Conditions
- amounts reported as expenditure in the Statement are in accordance with Part 2 of the Conditions
- the amount certified by the General Manager of the Council in the Statement as its own source expenditure on roads during the year is based on, and in agreement with proper accounts and records.

My opinion should be read in conjunction with the rest of this report.

### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Statement' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as the auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Emphasis of Matter - Basis of Accounting**

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Statement. The Statement has been prepared for the purpose of fulfilling the Council's reporting obligations to the Commonwealth Department of Infrastructure and Regional Development and Cities under the Act and Conditions. As a result, the Statement may not be suitable for another purpose.

### **Other Information**

Other information comprises the information accompanying the Statement (Parts 2, 3 and 4) for the year ended 30 June 2018, other than the Statement and my Independent Auditor's Report thereon. The General Manager is responsible for the other information.

My opinion on the Statement does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the Statement, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Statement or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement in the other information, I must report that fact.

I have nothing to report in this regard.

### **The General Manager's Responsibilities for the Statement**

The General Manager is responsible for the preparation of the Statement in accordance with the requirements of the Act and Conditions, and for such internal control as the General Manager determines is necessary to enable the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

In preparing the Statement, the General Manager is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do.

### **Auditor's Responsibilities for the Audit of the Statement**

My objectives are to:

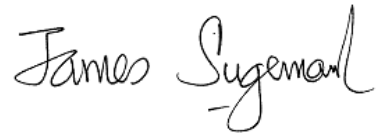
- obtain reasonable assurance about whether the Statement is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the Statement.

A description of my responsibilities for the audit of the Statement is located at the Auditing and Assurance Standards Board website at [www.auasb.gov.au/auditors\\_responsibilities/ar8.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar8.pdf). The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Statement on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Statement.

A handwritten signature in black ink that reads "James Sugumar". The signature is written in a cursive style with a large initial 'J' and a distinct 'S'.

James Sugumar  
Director, Financial Audit Services

9 November 2018  
SYDNEY